

1 **VEHICLE REGISTRATION AND INSURANCE AMENDMENTS**

2 2016 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Curtis S. Bramble**

5 House Sponsor: Don L. Ipson

7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions related to vehicle registration and insurance.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ provides that a person operating a vehicle owned by a rental company may have in
13 the person's possession, or display, as proof of vehicle registration or insurance, the
14 vehicle's rental agreement; and

15 ▶ provides requirements to maintain owner's or operator's security for a school bus
16 under certain conditions.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **41-1a-214**, as last amended by Laws of Utah 2015, Chapter 412

24 **41-12a-301**, as last amended by Laws of Utah 2008, Chapter 36

25 **41-12a-303.2**, as last amended by Laws of Utah 2015, Chapter 412

27 *Be it enacted by the Legislature of the state of Utah:*

28 Section 1. Section **41-1a-214** is amended to read:

29 **41-1a-214. Registration card to be signed, carried, and exhibited.**

30 (1) A registration card shall be signed by the owner in ink in the space provided.

31 (2) A registration card shall be carried at all times in the vehicle to which it was issued.

32 (3) The person driving or in control of a vehicle shall display the registration card upon
33 demand of a peace officer or any officer or employee of the division.

34 (4) For a vehicle owned by a rental company, as defined in Section 31A-22-311, a
35 person driving or in control of the vehicle may display the vehicle's rental agreement, as
36 defined in Section 31A-22-311, in place of a registration card for compliance with Subsection
37 (3).

38 [~~4~~] (5) A violation of this section is an infraction.

39 Section 2. Section 41-12a-301 is amended to read:

40 **41-12a-301. Definition -- Requirement of owner's or operator's security --**

41 **Exceptions.**

42 (1) As used in this section:

43 (a) "highway" has the same meaning as provided in Section 41-1a-102; and

44 (b) "quasi-public road or parking area" has the same meaning as provided in Section
45 41-6a-214.

46 (2) Except as provided in Subsection (5):

47 (a) every resident owner of a motor vehicle shall maintain owner's or operator's
48 security in effect at any time that the motor vehicle is operated on a highway or on a
49 quasi-public road or parking area within the state; and

50 (b) every nonresident owner of a motor vehicle that has been physically present in this
51 state for:

52 (i) 90 or fewer days during the preceding 365 days shall maintain the type and amount
53 of owner's or operator's security required in his place of residence, in effect continuously
54 throughout the period the motor vehicle remains within Utah; or

55 (ii) more than 90 days during the preceding 365 days shall thereafter maintain owner's
56 or operator's security in effect continuously throughout the period the motor vehicle remains
57 within Utah.

58 (3) (a) Except as provided in Subsection (5), the state and all of its political
59 subdivisions and their respective departments, institutions, or agencies shall maintain owner's
60 or operator's security in effect continuously for their motor vehicles.

61 (b) Any other state is considered a nonresident owner of its motor vehicles and is
62 subject to Subsection (2)(b).

63 (4) The United States, any political subdivision of it, or any of its agencies may
64 maintain owner's or operator's security in effect for their motor vehicles.

65 (5) Owner's or operator's security is not required for any of the following:

66 (a) off-highway vehicles registered under Section 41-22-3 when operated either:

67 (i) on a highway designated as open for off-highway vehicle use; or

68 (ii) in the manner prescribed by Subsections 41-22-10.3(1) through (3);

69 (b) off-highway implements of husbandry operated in the manner prescribed by
70 Subsections 41-22-5.5(3) through (5);

71 (c) electric assisted bicycles as defined under Section 41-6a-102;

72 (d) motor assisted scooters as defined under Section 41-6a-102; [~~or~~]

73 (e) electric personal assistive mobility devices as defined under Section 41-6a-102[~~;~~];

74 or

75 (f) a school district, for a school bus that the school district authorizes a state entity or
76 political subdivision of the state to use.

77 (6) If a school district authorizes a state entity or political subdivision of the state to
78 use a school bus:

79 (a) the state entity or political subdivision shall maintain owner's or operator's security
80 during the term of the school bus use in an amount that is greater than or equal to any
81 governmental immunity liability limit;

82 (b) the state entity or the political subdivision shall indemnify and defend the school
83 district for any claim that arises from the school bus use including a claim directed at the
84 school district, unless the claim arises from the sole negligence of the school district; and

85 (c) if the school district maintains owner's or operator's security for the school bus

86 during the term of school bus use, the owner's and operator's security maintained by the state
87 entity or political subdivision of the state is primary to the owner's and operator's security
88 maintained by the school district.

89 Section 3. Section **41-12a-303.2** is amended to read:

90 **41-12a-303.2. Evidence of owner's or operator's security to be carried when**
91 **operating motor vehicle -- Defense -- Penalties.**

92 (1) As used in this section:

93 (a) "Division" means the Motor Vehicle Division of the State Tax Commission.

94 (b) "Registration materials" means the evidences of motor vehicle registration,
95 including all registration cards, license plates, temporary permits, and nonresident temporary
96 permits.

97 (2) (a) (i) A person operating a motor vehicle shall:

98 (A) have in the person's immediate possession evidence of owner's or operator's
99 security for the motor vehicle the person is operating; and

100 (B) display it upon demand of a peace officer.

101 (ii) A person is exempt from the requirements of Subsection (2)(a)(i) if the person is
102 operating:

103 (A) a government-owned or leased motor vehicle; or

104 (B) an employer-owned or leased motor vehicle and is driving it with the employer's
105 permission.

106 (iii) A person operating a vehicle that is owned by a rental company, as defined in
107 Section [31A-22-311](#), may comply with Subsection (2)(a)(i) by having in the person's
108 immediate possession, or displaying, the rental vehicle's rental agreement, as defined in Section
109 [31A-22-311](#).

110 (b) Evidence of owner's or operator's security includes any one of the following:

111 (i) a copy of the operator's valid:

112 (A) insurance policy;

113 (B) insurance policy declaration page;

- 114 (C) binder notice;
- 115 (D) renewal notice; or
- 116 (E) card issued by an insurance company as evidence of insurance;
- 117 (ii) a certificate of insurance issued under Section 41-12a-402;
- 118 (iii) a certified copy of a surety bond issued under Section 41-12a-405;
- 119 (iv) a certificate of the state treasurer issued under Section 41-12a-406;
- 120 (v) a certificate of self-funded coverage issued under Section 41-12a-407; or
- 121 (vi) information that the vehicle or driver is insured from the Uninsured Motorist
- 122 Identification Database Program created under Title 41, Chapter 12a, Part 8, Uninsured
- 123 Motorist Identification Database Program.

124 (c) A card issued by an insurance company as evidence of owner's or operator's
125 security under Subsection (2)(b)(i)(E) on or after July 1, 2014, may not display the owner's or
126 operator's address on the card.

127 (d) (i) A person may provide to a peace officer evidence of owner's or operator's
128 security described in this Subsection (2) in:

- 129 (A) a hard copy format; or
- 130 (B) an electronic format using a mobile electronic device.

131 (ii) If a person provides evidence of owner's or operator's security in an electronic
132 format using a mobile electronic device under this Subsection (2)(d), the peace officer viewing
133 the owner's or operator's security on the mobile electronic device may not view any other
134 content on the mobile electronic device.

135 (iii) Notwithstanding any other provision under this section, a peace officer is not
136 subject to civil liability or criminal penalties under this section if the peace officer inadvertently
137 views content other than the evidence of owner's or operator's security on the mobile electronic
138 device.

139 (e) (i) Evidence of owner's or operator's security from the Uninsured Motorist
140 Identification Database Program described under Subsection (2)(b)(vi) supercedes any
141 evidence of owner's or operator's security described under Subsection (2)(b)(i)(D) or (E).

142 (ii) A peace officer may not cite or arrest a person for a violation of Subsection (2)(a) if
143 the Uninsured Motorist Identification Database Program created under Title 41, Chapter 12a,
144 Part 8, Uninsured Motorist Identification Database Program, information indicates that the
145 vehicle or driver is insured.

146 (3) It is an affirmative defense to a charge under this section that the person had
147 owner's or operator's security in effect for the vehicle the person was operating at the time of
148 the person's citation or arrest.

149 (4) (a) Evidence of owner's or operator's security as defined under Subsection (2)(b) or
150 a written statement from an insurance producer or company verifying that the person had the
151 required motor vehicle insurance coverage on the date specified is considered proof of owner's
152 or operator's security for purposes of Subsection (3) and Section 41-12a-804.

153 (b) The court considering a citation issued under this section shall allow the evidence
154 or a written statement under Subsection (4)(a) and a copy of the citation to be faxed or mailed
155 to the clerk of the court to satisfy Subsection (3).

156 (c) The notice under Section 41-12a-804 shall specify that the written statement under
157 Subsection (4)(a) and a copy of the notice shall be faxed or mailed to the designated agent to
158 satisfy the proof of owner's or operator's security required under Section 41-12a-804.

159 (5) A violation of this section is a class C misdemeanor, and the fine shall be not less
160 than:

161 (a) \$400 for a first offense; and

162 (b) \$1,000 for a second and subsequent offense within three years of a previous
163 conviction or bail forfeiture.

164 (6) Upon receiving notification from a court of a conviction for a violation of this
165 section, the department:

166 (a) shall suspend the person's driver license; and

167 (b) may not renew the person's driver license or issue a driver license to the person
168 until the person gives the department proof of owner's or operator's security.

169 (i) This proof of owner's or operator's security shall be given by any of the ways

170 required under Section 41-12a-401.

171 (ii) This proof of owner's or operator's security shall be maintained with the department
172 for a three-year period.

173 (iii) An insurer that provides a certificate of insurance as provided under Section
174 41-12a-402 or 41-12a-403 may not terminate the insurance policy unless notice of termination
175 is filed with the department no later than 10 days after termination as required under Section
176 41-12a-404.

177 (iv) If a person who has canceled the certificate of insurance applies for a license
178 within three years from the date proof of owner's or operator's security was originally required,
179 the department shall refuse the application unless the person reestablishes proof of owner's or
180 operator's security and maintains the proof for the remainder of the three-year period.